

MINUTES
PAGE COUNTY BOARD OF SUPERVISORS
WORK SESSION
JUNE 1, 2010

All Members Present: Johnny Woodward, Chairman, At-Large
Robert Griffith, District 1
J. D. Cave, District 3
Darrell Short, District 4
Jeff Vaughan, District 5

Absent: Larry A. Sours, District 2

Staff Present: Dr. Thomas Cardman, County Administrator
Regina Miller, Executive Secretary

Media & Others Present: Kevin Seabrooke, *Page News & Courier*
150 County Employees & Citizens

Call to Order:

Chairman Johnny Woodward called to order the work session of the Page County Board of Supervisors on June 1, 2010 at 7:10 p.m. in the Circuit Court Room, located in the Courthouse, noting a quorum was present. A Moment of Silence followed the Call to Order.

Public Hearing on the FY 2010-2011 Budget:

EXHIBIT A

Chairman Woodward opened the public hearing on the Fiscal Year 2010-2011 budget at 7:12 p.m. The public hearing was advertised as follows:

PAGE COUNTY
SYNOPSIS OF THE BUDGET
FOR INFORMATION AND FISCAL PLANNING
PURPOSES ONLY
FISCAL YEAR JULY 1, 2010 through JUNE 30, 2011

Pursuant to the Code of Virginia Section 15.2-2503 and 15.2-2506, notice is hereby given that the Board of Supervisors will conduct a public hearing in the General District Courtroom, 116 South Court St, Luray, VA 22835, at 7:00 PM on June 1, 2010, at which meeting any citizen of the County shall have the right to attend and state their written or oral views of the proposed budget for the fiscal year July 1, 2010 through June 30, 2011. The proposed budget will not be approved, adopted, or ratified by the Board of Supervisors until at least seven days following this public hearing.

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Adopted

Proposed

REVENUE ESTIMATES	Revenue Budget Year Ending <u>June 30, 2010</u>	Revenue Budget Year Ending <u>June 30, 2011</u>
General Fund	15,476,199	13,885,636
VPA	2,569,993	2,463,392
Comprehensive Services	2,453,377	2,416,741
Capital Projects	157,926	1,760,620
School Operating	40,560,241	35,641,949
School Capital Projects	3,886,395	982,960
School Cafeteria	1,692,000	1,685,320
School Health Fund	532,270	120,000
Parks and Recreation	<u>65,000</u>	<u>30,000</u>
TOTAL REVENUE	\$67,393,401	\$58,986,618

EXPENDITURE ESTIMATES	Adopted Expenditure Budget Year Ending <u>June 30, 2010</u>	Proposed Expenditure Budget Year Ending <u>June 30, 2011</u>
Legislative	129,404	134,553
General and Financial Admin	2,397,625	2,575,722
Board of Elections	143,178	138,206
Judicial Administration	832,202	826,558
Public Safety	6,238,344	6,314,403
Public Works	1,802,371	3,095,638
Health and Social Services	2,826,909	2,853,754
Education, CSA	43,582,574	38,178,690
School Cafeteria	1,692,000	1,685,320
Recreation/Cultural	201,190	96,486
Community Development	1,798,604	530,016
School CIP	3,886,395	982,960
Non-Departmental/CIP	<u>1,862,605</u>	<u>1,574,312</u>
TOTAL EXPENDITURES	\$67,393,401	\$58,986,618

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Public Comments~

Linda Silvius stated that she is employed by the County in the Building Department. Of all the jobs being eliminated, she felt that her job, the only Program Support Technician in the department would be safe. Her job is necessary for the department to function. Last year, she was the only Program Support Technician for the department due to the budget cuts and lay-offs. She invited each Board member to visit the office to understand what her job entails and asked them to reconsider the elimination of her

job. Ms. Silvius noted that she was told she would qualify for unemployment for six months. She requested that the County extend her health coverage for at least six months and pay their portion as if she were still employed.

Dr. Morgan Phenix, School Board Chairman, remarked that this is a tragedy. The school system is backed in a corner; individuals are losing their jobs and citizens are wondering where the services will come from. All of this is due to a longstanding idea that a tax increase is not warranted. The School Board, he said, has met to consider options for the school system, one of which is to discontinue operations at Grove Hill Elementary School, and another to eliminate 6-8 more teaching positions, as well as other options. He said he is gravitating toward the notion that the School Board should do nothing and wait until the money is gone and then there would be an accurate picture as to what is happening. This is a tragedy because there is a blindness of not making plans for the short term or long term. He then asked the Supervisors to encourage the School Board to save every dollar between now and July 1, with a promise of returning any carryover to the School Board. He said, "Please give us that strong publicly witnessed assurance that frugality on our part, at this time, will pay off activity fees next year, and maybe a portion of trying to keep Grove Hill open." If the Supervisors cannot give the School Board that assurance, they are showing a lack of faith in the School Board and a lack of belief that we could do the right thing at this tragic moment. If the Supervisors will not return the carryover, he said, then they are in an adversarial relationship with the School Board. Everyone wanted two new high schools and everyone wanted middle schools to make this a better place. However, plans were not made to pay for them.

Lee McWhorter expressed concern for the deep budget cuts and the unemployment projection in the County. Six months of unemployment for eight people will mean that the County is paying them not to work while they are looking for a job. It would be better to have them work part-time in order to allow them to retain their benefits. He said the Board is making a mistake by eliminating employees in these hard economic times because it is not saving any money.

Alice Richmond commented that she has reviewed the line items in the budget for FY 2011, which has caused questions to arise. In Plan C, there is \$299,436 for the Economic Development Authority, with no back up information like the other departments. She said that \$144,000 of the EDA's funding is the economic development incentive grants, which is not a problem. What is the other \$157,000? If taxpayer money is taken from essential services in order to pursue economic development one would expect to have reporting and monitoring systems in place to assess whether or not the money was used effectively. Without controls, economic development money gets spent on paying a \$10.00 a month GPS service for an employee's county-paid mobile phone, lawyers to defend the lack on controls on economic development money, County authorities buying their lunch and paying for a meeting room when they could meet in the Courthouse for free. Without controls, the Board cannot be sure that the new \$1.6 million broadband grant will end up bringing broadband. After all the Board's discussion about cutting essential services, these

items are still in the Plan C budget. The Board has left many thousands of dollars in the budget on conventions, meals and lodging, dues and association memberships, and other lines that are designed to “squirrel” money away to be moved at a later date under the consent agenda where the Board may not know it happened. Everyone wants economic development to come to Page County, but she asked the Board not to put their confidence where it is not deserved. She urged them to reject Plan C and look at the budget line items themselves. If the Board depends on the staff for explanations then it is incumbent on them to get dependable staff. She said that over \$313,000 is hidden in slush fund accounts and if the GIS department is shut down, the Board would have \$450,000 to return to essential services in the budget that are valid functions of government.

Dale Housden indicated that he is the Junior Class President at Page County High School. He said he is also a graduate of Grove Hill Elementary School. He said at a recent School Board meeting his mother spoke and told how Grove Hill had changed his life; however, not one Supervisor was present to hear how much the school has positively impacted the community today. Those who are often on the edge of adulthood often look to the adults as examples of appropriate behavior, values, leadership, and community fiscal responsibility. He said that Page County is not a true example of this. Even young men, like himself, in this County can see that no matter how many voices beg you to stop the madness, it continues. He asked the Board to do the responsible thing. Stop pointing fingers and take responsibility for your actions and missteps that led to the additional budget cuts. He asked them to retract the last mandated cut and give the School Board back the money they need.

David Newman remarked that the *Page News & Courier* reported that at least one Supervisor was adamantly opposed to any tax increase and believes local government needs to shrink, yet on the next page in an article about the Grove Hill School, both Supervisors Cave and Woodward, tried to disavow responsibility for the suspension of operations at the school. It was the Board who chose not to raise the tax rate each year to meet the County's obligations. It is the Board who will be faced with raising taxes 20% next year because they have not made these gradual adjustments. The Board seems to be choosing the easy road this year and deflecting blame for their cuts instead of making the difficult choice to ask the community to fully fund the services that make this County succeed. He said that if the Board believes in shrinking the government, they must accept that this is the result. He urged the Supervisors to, either stand up and admit that these are the cuts they had intended and that this money means more than the services they are taking, or admit that the government does not need to shrink. The government serves needs in this community and the needs will not go away because the Board chooses to ignore them.

James Roderick Graves stated that we are in a tragic fiscal situation and it is also a moral dilemma. He said he felt sorry for the Board as the leaders who have to deal with such an absurd financial burden that they inherited; however, he feels they have balanced the budget the wrong way. Some of the proposed budget cuts rip through the heart of this community, such as the future of our children, environmental services, and

emergency services. The people the Board has cut have performed their jobs well and have provided a valuable service in this community. He asked the Board to reconsider cutting people like Chris Anderson, Gene Stewart, and others who have made this County a much better place, who spend their money here and pay their taxes here. The people of this County will not be held hostage to irresponsible decisions any longer.

Gene Stewart asked that the Board reconsider the budget cuts, especially with the positions that are being eliminated. He said his insurance with the County now costs him about \$400 per month. If he uses COBRA he will have to pay over \$1,400 per month. He then read a letter from Bruce Sterling, Region 2 Coordinator, with the Virginia Department of Emergency Management.

May 17, 2010

Johnny Woodward, Chairman
Page County Board of Supervisors
117 South Court Street
Luray, VA 22835

Dear Mr. Woodward,

My name is Bruce Sterling, and I am the Region 2 Coordinator for the Virginia Department of Emergency Management (VDEM). I work directly with the local emergency management coordinators in the localities within the region and provide guidance and support to assist them in their effort to have a strong emergency management program. The emergency management profession has grown during the past decade and many state and federal requirements have been added increasing the workload of the local emergency manager.

When I became the Region 2 Coordinator seven years ago, Page County's emergency management program was virtually non-existent. The Town of Luray petitioned the state to become their own emergency management entity due to the lack of a functioning emergency management program in the county. In July 2004, Gene Stewart was hired as the county's emergency management coordinator. When I first met Gene, I remember being pleasantly surprised that the county was able to hire someone into the position with his qualifications. Over the years, Gene has risen to be one of the leaders in the region.

I have witnessed the growth of Page County's emergency management program over the past 6 years. Some of the programs that Gene initiated are the county damage assessment program, the StormReady program, Community Emergency Response Team (CERT) development, and the county exercise program. The Three Year Exercise Plan that was developed by the county is used as a guide for many of the other localities in the region to use so they can develop their exercise plan. I have attended several exercises that Gene has coordinated, and have seen his valuable facilitation capabilities, which is a very important attribute for an emergency manager.

Gene has a great amount of respect from his peers. He works closely with the emergency managers from the surrounding localities and is a member of the Northern Valley Emergency Preparedness Team. Additionally, he is well known and highly respected by local emergency managers from across the Commonwealth, partly due to his involvement in various emergency management projects at the state level. He is equally respected by many of the program staff from VDEM in Richmond, who are intimately aware of his thoroughness, proactive ideas, and professionalism. Gene's detailed reports in WebEOC have been used as an example in our WebEOC training to local emergency managers.

Over the years, Gene has clearly developed into one of the most effective emergency managers in Region 2, and perhaps the Commonwealth. His experience, knowledge, and credibility makes Page County's emergency management program superior to many other localities' in the region. This translates into a better prepared community, thus a safer place for citizens, businesses, and visitors.

During these tough times, I realize many localities are making difficult decisions. I am concerned that the county's loss of Gene Stewart as the Emergency Management Coordinator would be an unfortunate setback for the community. Hopefully, your hard work will allow Page County to find a way to keep Gene as the Emergency Management Coordinator and continue to set an example for other local emergency management programs across the commonwealth.

Respectfully,

*Bruce Sterling, Region 2 Coordinator
Virginia Department of Emergency Management*

Randolph Bunch stated that when he first read about the possible closing of Grove Hill he was appalled. He said this is irresponsible. Also, Gene Stewart is a trained man and sooner or later there will be a terrorist attack and we will need someone with his leadership. In addition, the Board should not cut Chris Anderson.

Chris Strong, National Weather Service, expressed that his main job in the Forecast Office is to work with people in the forecast area, from the federal and state level to the local level. One of the first calls he received in his position was from Gene Stewart asking about the Storm Ready Program and how the County could get into the Program. Since that call, he said that Gene is one of the emergency managers he knows best across his forecast area. One of Gene's accomplishments through their partnership is to make Page County the first Storm Ready County across the Shenandoah Valley region of Virginia. When there is severe weather Gene is constantly talking with the Forecast Office to establish what the threats are so he can work with County personnel to be sure the County gets through the event with as little damage as possible. There will always be weather events impacting the County and it takes someone like Gene to minimize the effects of those weather events on society. He then presented a letter from a meteorologist in charge of the Forecast Office with his

support of Gene. Mr. Strong said he recognizes all the decisions that have to be made by the Board, but there is no finer person as an emergency manager than Gene Stewart and he supports him.

Fred Woodward remarked that he is a former Grove Hill student and it upset him when he found out the school will be closed. We are in tough financial times, but what would we do if we were in a dire situation and needed money, yet someone keeps spending it. He asked the Board to keep Grove Hill open.

Doris Lansberry urged the Supervisors to work with the School Board to fund all public schools because it provides a return on our investment. She said she has yet to see a return on the landfill, Atwood property, \$1 million given to the EDA, or 15 acres of County owned property transferred to the EDA for Premier Technical Services. She noted that *Forbes Magazine* has rated Virginia, four years in a row, as number one for business. *Chief Executive Magazine*, in a survey, found Virginia number four for business, based on low taxes, sales taxes, quality of life, and an educated workforce. So, education is critical. Regarding the landfill, she expressed concern with spending \$1.2 million in the next two fiscal years to open a new cell at Battle Creek Landfill. Since 2008, the County has been paying a consultant almost monthly for a major permit amendment. She asked the Board to look closely at funding the \$1.2 million next year. In closing, she urged the Board to take back the control of this County since this is what they were elected to do.

Jo Ann Smeltzer requested that the Board not fund this budget with money that the EDA could use for Project Clover. She asked, "What is the \$299,000 in contractual services for on page 77." After approval of this budget, it should not be amended to support Project Clover by using the \$299,000 or any other funds. The taxpayers cannot afford another \$6.5 million debt in this County. There is concern that money in the budget may be hidden in order to support this Project. Taxpayers have suffered financially because of bad decisions made by previous Board's such as the landfill deal. We want the Board to take back control of our money. Do not budget money to fund Project Clover in this budget or any future budget. If there is an extra \$300,000 in this budget, the Board should work with the School Board to try to keep Grove Hill School open.

Barbara Coulter commented that the May 27th edition of the *Page News & Courier* makes it clear that Page County is in a deep financial hole. If the current situation was caused solely by economic forces outside the County's control, there would not be such an outcry. Jobs, basic services, and schools are at stake. One choice you will have to make soon is whether or not to fund Project Clover. She asked the Board not to proceed with funding the EDA's \$7.5 million land purchase. People are here tonight to look at this year's budget cuts, but they are also interested in what subsequent budgets will be like. If the Board commits to funding Project Clover, can you imagine how hard it will be to balance next year's budget. She reminded the Board that the \$5 million, which was set aside in the USDA loan for the landfill, has all been used. From now on, there is no pool of money to tap into for the \$742,620 annual payment on this loan, and this loan has 35 more years to go. One of the biggest strains on the County is still the

landfill. She asked the Board to look at the consulting fees related to the landfill and to take Project Clover off the table.

L. A. Miller was present representing the Northern Valley Emergency Preparedness Task Force in relationship to emergency management. During recent years, he said emergency management in Page County has taken gigantic strides to protect the welfare of the County and its residents. The County has accomplished the development of an emergency operations plan, internal and external coordination with state, federal agencies and county departments, as well as private sector businesses, and the creation of a Community Emergency Response Team (CERT). Additionally, there has been a reaching out to neighboring jurisdictions, within the Planning District in an effort to prepare for major disaster responses within Page County and the remaining jurisdictions in the Planning District. Through this effort, there has been the formulation of the Northern Valley Emergency Preparedness Task Force. A regional communications plan has been developed to assure each of the jurisdictions in the Planning District will be able to function in a professional manner during disaster situations. Gene Stewart was an integral part, and he chaired a subcommittee to put the plan together. Page County's emergency management program, through the leadership of Coordinator Gene Stewart, has been an integral part of this regional approach in the creation of the regional partnerships. The advancement of emergency management program in Page County did not happen, but occurred through a methodical planned approach by Gene and those working in concert with him. His dedication to the emergency management program to the citizens of Page County is second to none. He encouraged the Board to consider the potential negative impact on the County, and the region, if the emergency management program and the position of Emergency Management Coordinator are eliminated.

Savannah Runyon commented that the idea of Grove Hill Elementary School shutting down was a huge mistake from the beginning. She then asked the Board to keep the school open.

Cindy Housden commented that it is a sad day when the children learn about democracy in the form of a tragedy. Grove Hill has been here for decades. She said her sole reason for attending the meeting is to support the continued operations of the school. She asked the Board to revisit the budget for several reasons, but first to keep the school open. The school has the least behavioral issues and highest SOL scores than any other school in the County. This is going to be a devastating to the economics and the only reason she lives in this County is because of the schools. She asked that the Board revisit the budget and give the money back to the School Board and allow them at least one more year to hold them to accountability.

Robbie Shenk said he has read that by closing Grove Hill it will amount to a \$457,000 savings. This amounts to \$38,000 a month over a 12 month period. What is the money spent on – insurance, electric? If so, this is an expensive empty building. He asked what area is the savings realized. The same children will have to attend another school and the same amount of food will be provided as well as the same amount of materials.

Even though the Supervisors do not close schools they give money to the School Board to work with. When the funding to the School Board is cut, their hands are tied to where they have to make decisions like these.

Garland Gibbs said that at least four of the current Supervisors had nothing to do with the present financial situation of the County. However, on January 1 they assumed responsibility for the continuation of it and it is time to put it to a halt. It is time to look at the budget line items and consultants the County does not need. The Board can defund the EDA because all they have done is drained \$3 million for the County over the last four years. If the Board would look through the budget, they might find enough money to keep the school open. If the County is going to pay consultants and \$7.5 million for property worth \$2 million, then the Board has their priorities wrong and it is time to get them readjusted.

George Hadeler, Coordinator for Page County Master Gardner's, and member of the Tree Board and Habitat for Humanity said that Chris Anderson has done more for these three groups than most of the volunteers. She gives her expertise, time, and a lot of work. From the County's standpoint, she gets a lot of grants. If she were not here many things would not get done because there would not be the money. He suggested the Board reassess the value of the Environmental Coordinator.

Gail Miller, Frederick County Emergency Manager, stated when she assumed her position three years ago it was mind-boggling the amount of responsibility that local emergency managers, like she and Gene Stewart, have on behalf of the locality. She said she turned to Gene, as one of her counterparts, for help, guidance and support. She hopes the Board sees the asset they have in him and are considering giving away. In his tenure with Page County, Gene has implemented many programs such as the development of trained damage assessment teams, CERT program, functional emergency operations plan, and an emergency exercise development program. Gene worked toward and ultimately received one of the first Storm Ready certifications from the National Weather Service that was issued in the Commonwealth of Virginia. His work, she said, has extended well past the boundaries of Page County and his level of professionalism and expertise is recognized by the Virginia Emergency Management Association and the Virginia Department of Emergency Management. His commitment has resulted in an immeasurable benefit, not only to the citizens of Page County, but to citizens statewide. She asked the Board to retain Gene Stewart; keep him as the emergency manager, and keep him moving Page County forward in the ever changing complex face of what is today's field of emergency management.

Haley Heiston said she attends Grove Hill Elementary School. It is the best school she has attended with great teachers. She asked the Board not to shut down the school. She also thanked the people who are fighting for the school so she can stay there.

Lora Bailey commented that she is a proponent for education. Those who hold the "purse strings" dictate what can be done with the County's educational system. She said she has never seen a point where the community has been driven to the point

where we have essential personnel showing immeasurable humility. She has never seen a point where we have people pleading meeting after meeting for funding for the schools. She said she has seen the citizens coming for time and again pointing out budget line items that are frivolous. Several years ago, the Board of Supervisors accepted a six-year plan, which included all the things we are currently facing, such as a way to afford the education all the children in the community deserve, as well as the essential personnel that protect us. We did not follow through with the plan. The new Board members have a responsibility to do the right thing. She said the constituents want the emergency manger, the schools to be funded, and they want our tax money spent wisely. We should cut our losses with Project Clover. As a public servant, the weight rests on the Board's shoulders.

Lesley Clem addressed the Board regarding Grove Hill Elementary School. The citizens are asking the Board to rescind the requirement of the School Board to cut an additional \$300,000. The loss of this school, in the long run, will be a mistake. It has been questioned whether or not the Constitutional Officers budgets were cut by the same percentage as the School Board's, and did they receive the request to find an additional amount comparable cut. He asked the Board to reexamine the true and great costs of purchasing the Hudson property. He then asked them to revisit the total budget and find funds to cover the continued the operation of Grove Hill Elementary. He urged them to rethink the no tax rate policy because this added to the current broken economy is what brought us to this crisis.

Lucinda Heiston informed the Board that she attended Grove Hill School as well as all of her children. The concerned citizens, parents, and taxpayers of Page County, specifically from the Grove Hill area, are dismayed at the probability of losing the community school with successful programs, accomplished children, and excelled test scores. For a mere \$300,000, we are compromising these children's level of learning. Overcrowding, longer bus rides, children feeling displaced, and frustrated teachers are a few of the consequences to be dealt with because of the priorities the Board is setting tonight. Unwise investments and wasteful spending have caused great devastation to the County's and country's economy. The Board should be investing in our children. It would be a shame for this Board to be remembered as the ones responsible for closing the highest accredited school in our county. She said that escalated salaries, expense accounts, and travel expenses should be trimmed to help fund some of the deficits. The responsibility of the accountability of the spending of taxpayer dollars is great. She asked the Board to be frugal with the money that is entrusted to them for the taxpayers.

Diane Shifflett proposed that the County put the business park on hold as other counties have done throughout Virginia. Due to the economy and state and federal budget cuts, the County does not have the means to support a business park at this time. The County has an extreme unemployment rate, and the closing Grove Hill, would only help to escalate the problem. Closing the school will lead to overcrowding. She then read a brief statement from Kenneth Plum who attended Grove Hill Elementary School and is now a 30 year Delegate in the General Assembly and he has succeeded. She asked the Board to help find the funds to help keep Grove Hill School in existence.

Randy Howan commented that he has yet to hear one person who is supportive of Project Clover and the activities of the EDA. It bothers him why the Board would want to keep proceeding in this direction when the constituents want them to stop. Even though the Board does not close schools, they have the power to keep one open. He asked the Board to evaluate all the line items in the budget and vote to rescind the \$300,000 cut to the School Board.

Chris Anderson, County Environmental Services Coordinator, thanked the Board for her employment over the last nine years. She also thanked everyone who has expressed support for the Department of Environmental Services. She then reviewed her responsibilities and accomplishments since she has been in the position. She told the Board that taking care of their dedicated employees is important and protecting Page County's environment is critical. She expressed that she is willing to take a voluntary pay decrease, furlough days, and will pay for her own training and expenses for the next year in order to keep her position. After reviewing the department budget again, she said she can operate the department for under \$35,000 for next year. She asked the Board to find the funding in the budget to support the department and her position in the fiscal year 2010-2011 budget.

Brad Blanton was signed on the list to speak, but had left the meeting prior to his name being called. Therefore, Lee McWhorter stated that Mr. Blanton wanted to express support for Gene Stewart and Chris Anderson and urged the Board to keep these important offices.

Tom Ford expressed that he agreed with the comments made by the other speakers. He said that to eliminate the Department of Environmental Services would be a huge mistake and cutting the budget is not leadership. The Board should defund Project Clover.

Charles Newton informed the Board that he serves as a volunteer on the Water Quality Advisory Committee. He remarked that the elimination of the funding for the Environmental Services Coordinator position would result in a serious negative impact to our County. Chris has been an exemplary employee who has helped bring in a lot of funding into the County. During the past few years, Page County has been held as an example of leadership, because of recognizing the work and contributions Chris has made to the economic sustainability of the County. If the funding is eliminated for this position, it will take years to replace her skills when it is again realized that the skills are needed for the sustainability of our future. A grantor, called the Agua Fund, who has been working with the Water Quality Advisory Committee has promised that if Chris is still on the staff they will contribute \$8,000 toward her salary for the next year. He encouraged the Board to keep this position funded in the budget.

Kate Wofford, Executive Director of the Shenandoah Valley Network, commented that she was alarmed and discouraged to learn that Chris Anderson's position and the Department of Environmental Services were slated to be cut from the budget. This

department is one of the most efficient and effective in the County, by delivering the services needed to maintain our quality of life and attract compatible growth. Ms. Anderson's work ensures Page County's clean water, fresh air, scenic landscapes and healthy environment continue. With all of the grants the department will bring in next year, the cost to the County will be less than \$35,000. Ms. Wofford thanked the Board for their hard work and asked them that as they finalize the budget to consider the long term best interest of this County.

Ralph Harlow stated that he attended Grove Hill Elementary School and later graduated from Shenandoah High School. Grove Hill has been a great institution but what would happen if it was closed? He said there is something more than placing a dollar value on closing the school. If the County keeps going down the path that we are on, this will not be the only school closing. This school has been the fabric of that community for years. If you take the school away, can you put a dollar value on what that does to the fabric of that community? He noted that his heart is still with the children because he knows where the dividends are when we trust in them. He expressed that he cannot resolve the dilemma when we talk about shutting down a school to save money yet pay three times the value for property. The Board has the intelligence to do what is right for the citizens.

Jim Fargo suggested that the Board raise the tax rate by two cents to pay for these things. He said that this is the easy answer.

With no further public comments, Chairman Woodward closed the hearing at 9:21 p.m.

Chairman Woodward informed that he had the deed to Project Clover in hand and has been working on this since January 1, 2010. He stressed that the proposed budget does not contain the payment for Project Clover. Two weeks ago, the EDA's budget also did not contain the payment. However, the EDA has revised their budget to include the payment. He mentioned that the property deed has been signed and recorded for the 34 acres. He then entertained a motion to fund the EDA with \$1.00 and take the money that would have been used for the payment and give funding back to the school system, review the school system's end of year carryover, and the reinstatement of County jobs.

Supervisor Vaughan communicated that there is a process with regard to Project Clover, and the Board has been patiently waiting on this. The Board was elected to make positive changes for the community. The Board understands how important it is for economic development, but also understands the financial and economic struggle of the County. He indicated that he disagrees with the process in which Project Clover has been handled, but the Board could not take certain actions until certain processes were complete. This Board has considered all the pros and cons, timing, and true impact of the Project on the County. He felt that the funding should be eliminated for Project Clover, and the Board should take what land has been paid for and discontinue the misery we have put the County in. As far as the funding the EDA, past Board's have brought programs to the EDA for job creation and retention. These programs are

important because we have to take care of current businesses and jobs. He clarified that these programs were implemented prior to his service on the Board; therefore, there is no conflict on his part since his business is the recipient of a job creation/retention grant from the EDA. He said that he will support a grant for any industry in the County. Therefore, this Board needs to decide whether or not to continue funding for programs like that. This funding makes up approximately \$142,000 of the current EDA budget. Just like education, economic development is important. He stated that it is important to educate our children to hopefully retain them in our community. The decision to cut funding to the School Board was difficult. When the cut was made, the Board had no inkling that there was consideration to close a school, nor did they know it would have this kind of impact. Now, the Board has to determine where there might be funding to help save the school. Since the school is in his district, he said that he will continue to support ways to keep it in operation.

Motion:

Supervisor Vaughan moved to only fund what has already been spent and not appropriate one cent toward any additional capital for Project Clover. Supervisor Cave seconded and the motion carried by a vote of 4-0, with 1 abstention. Aye: Griffith, Cave, Vaughan, Woodward. Abstain: Short. Absent: Sours.

Supervisor Cave expressed that he is the lone Supervisor in attendance who voted for this Project from the beginning. This was sold to the Board of Supervisors and the County as a way to increase economic development, which sounded good at the time. He said he asked the question on numerous occasions, will the purchase of this property necessitate a tax increase upon the citizens of Page County and will money be needed from the General Fund to support it. In every case, the answer he received was no; it will be a self-sustaining project. Since then, there has been a major slowdown in the economy. If the Project Clover idea was before the Board now, he could not support it. We all want economic development, but we have a finite amount of money. He mentioned that he has almost memorized paragraph 5 of the Board Resolution, passed December 8, 2008, which stated "Nothing herein contained, shall deemed to be a lending of the credit or the financial resources of the County of Page to Ms. Hudson or the EDA for this project." This basically said the EDA could not come to the Board for funding for this project. This Board is not prepared to fund the project.

Supervisor Vaughan remarked that the County will own 38 acres on the property to be developed. Once this is developed, the Board can think about what the next step might be.

Chairman Woodward indicated that some citizens have asked about renegotiating the price and he clarified that this was not an option, until now.

Supervisor Short expressed that he has supported the Project. The most important job the County can do is economic development. The County is making an investment in education. This is why we are in a financial situation because we do not have economic development to support the County's activities. He said he abstained from the vote


because he does not have all the facts and information like the other Board members. You cannot ignore economic development because the County provides services and there has to be a way to fund it. If we do not have business and industry to spread the cost, then it falls to the taxpayers to fund.

Supervisor Griffith stated that he is holding to his campaign promise not to support Project Clover.

Chairman Woodward thanked everyone for attending the meeting.

Adjourn: 9:41 p.m.

With no further business, Chairman Woodward adjourned the meeting.


Chairman



C. R. Suddith, Jr.
Treasurer

PAGE COUNTY, VIRGINIA
OFFICE OF THE COUNTY TREASURER
101 SOUTH COURT STREET
LURAY, VIRGINIA 22835
(540) 743-3975 • FAX (540) 743-1473



6/1/2010

To: The Page County Board of Supervisors

From: C. R. Suddith, Jr.
Page County Treasurer

A handwritten signature in cursive script, appearing to read "C. R. Suddith, Jr.", is written over the printed name.

Subject: Written Comments for Public Hearing on the FY2011 Budget

Gentlemen

Due to a conflict, I will not be able to stay for your entire hearing tonight, so I am submitting this written comment in accordance with the ad in the Page News and Courier.

As I notified you in prior correspondence, while I do not agree with your choices, I will accept the cuts that you've proposed in my budget. That being said, I strongly feel that cutting one sixth of your tax collectors is a foolish move at a time when the economy is causing delinquencies to be on the rise.

As you know, there are two sides to your budget and I understand your desire to cut expenditures, but to eliminate collectors will only cause your revenue to shrink and probably more than you saved in the proposed cut to expenditures. To cut collectors just puts more of a burden on the paying taxpayer and potentially gives a break to more delinquent payers since it will mean less of a chance that we have time to force payment. A 1% reduction in our collection rate represents over \$171,000 in revenue.

To that end, I notified Dr. Cardman of the need to adjust the revenue projections that Mr. Campbell and I gave you earlier in the process. They were based on current staffing levels in our two offices along with the historic collection rates. With the proposed reduction in the auditing and collecting offices, those numbers need adjusting. Dr. Cardman informed me that the Board felt the numbers were correct and did not need adjusting. I strongly disagree. The decision is yours to make but I want to be clear, I believe that cutting one sixth of the collection staff will result in a reduction in revenue of at least \$65,000 and could be as high as \$210,000 as shown in the two studies discussed in the Governance Magazine article that you were given earlier.